



TOGETHER
for a sustainable future

OCCASION

This publication has been made available to the public on the occasion of the 50th anniversary of the United Nations Industrial Development Organisation.



TOGETHER
for a sustainable future

DISCLAIMER

This document has been produced without formal United Nations editing. The designations employed and the presentation of the material in this document do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations Industrial Development Organization (UNIDO) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries, or its economic system or degree of development. Designations such as “developed”, “industrialized” and “developing” are intended for statistical convenience and do not necessarily express a judgment about the stage reached by a particular country or area in the development process. Mention of firm names or commercial products does not constitute an endorsement by UNIDO.

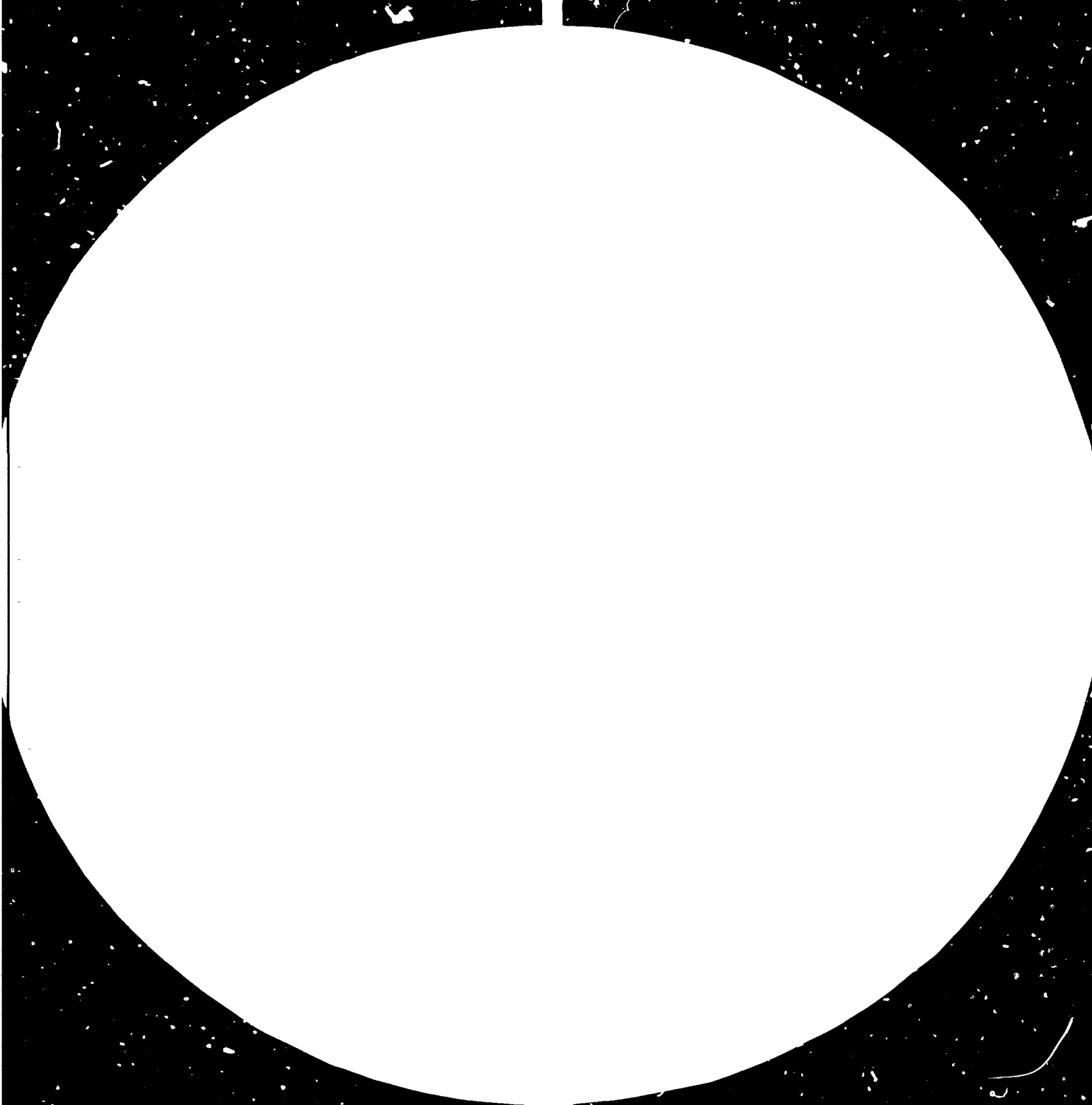
FAIR USE POLICY

Any part of this publication may be quoted and referenced for educational and research purposes without additional permission from UNIDO. However, those who make use of quoting and referencing this publication are requested to follow the Fair Use Policy of giving due credit to UNIDO.

CONTACT

Please contact publications@unido.org for further information concerning UNIDO publications.

For more information about UNIDO, please visit us at www.unido.org





3.6



MEMBER OF THE PHOTOGRAPHIC SCIENCE AND ARTS DIVISION

AMERICAN SOCIETY OF PHOTOGRAPHERS

1997-01-01

1997-01-01

1997-01-01

1997-01-01



11011-E



United Nations Industrial Development Organization

Distr.
LIMITED

ID/WG.353/5
7 December 1981

ENGLISH

Fifth Session of the Leather and
Leather Products Industry Panel
Vienna, Austria, 25-27 November 1981

REPORT

11011-E 6

V.81-33199

List of abbreviations

CCP	Committee on Commodity Problems of the FAO
FAO	Food and Agriculture Organization of the United Nations
ICB	Intergovernmental Commodity Body
ICT	International Council of Tanners
ILO	International Labour Organisation
IPC	Integrated Programme for Commodities
ITC-UNCTAD/GATT	International Trade Centre UNCTAD/GATT
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environmental Programme

CONTENTS

<u>Chapter</u>	<u>Page</u>
INTRODUCTION.....	4
I. ORGANIZATION OF THE MEETING.....	5
A. Opening of the meeting.....	5
B. Election of Chairman and Vice-Chairman.....	5
C. Adoption of the agenda.....	5
II. REVIEW OF THE FOLLOW-UP TO THE SECOND CONSULTATION.....	6
A. Report of the Industrial Working Group on the Rationalization of World Production, Marketing and Trade in the Leather and Leather Products Industry.....	6
B. Progress under the International Hides and Skins Development Scheme.....	7
C. Progress in the improvement of statistical intelligence for hides and skins and derived products.....	7
D. UNIDO draft checklist for contractual agreements in the footwear sector between enterprises from developed and developing countries.....	8
E. Report on UNIDO technical assistance projects in the establishment of production and design units and in the provision of management training in developing countries	9
F. Other business.....	9
<u>Annexes</u>	
I. List of participants.....	11
II. Agenda adopted by the Panel.....	13
III. Provisional agenda for the sixth session of the Panel.....	14

INTRODUCTION

1. The Leather and Leather Products Industry Panel was established by the Industrial Development Board after the First Consultation on the Leather and Leather Products Industry, to assist in the preparation and oversee implementation of the recommendations and conclusions of the United Nations Industrial Development Organization (UNIDO) Consultations in this sector.
2. The Second Consultation, held at Cologne, Federal Republic of Germany, from 23 to 26 June 1980, recognized the usefulness of the work of the Panel, and requested the UNIDO secretariat, inter alia, to establish an Industrial Working Group within the Panel to elaborate ground rules for the rationalization of world production, marketing and trade in this sector.
3. Since the Second Consultation, UNIDO has reconstituted the membership of the Panel in order to achieve better geographical and subsectoral participation, and has established the Industrial Working Group of the Panel from among the members.
4. The First Meeting of the Industrial Working Group was held at UNIDO headquarters, Vienna, Austria, on 23 and 24 November 1981, and the fifth session of the Panel was held from 25 to 27 November 1981.
5. At its fifth session, the Panel reviewed follow-up action to the recommendations and conclusions of the Second Consultation.

I. ORGANIZATION OF THE MEETING

A. Opening of the meeting

6. The fifth session of the Panel was attended by 20 participants from 15 countries and four international organizations (see annex I).
7. The session was opened by the outgoing chairman, Mr. Xilin Zhang (China).

B. Election of Chairman and Vice Chairman

8. The Panel elected the following participants as officers:

Chairman Otto F. Klötzer (Federal Republic of Germany)

Vice Chairman Gezalet W. Giorgis (Ethiopia)

C. Adoption of the agenda

9. The agenda adopted by the Panel is in annex II.

II. REVIEW OF THE FOLLOW-UP TO THE SECOND CONSULTATION
(Agenda items 5 (i) to 5 (iv))

A. Report of the Industrial Working Group on the Rationalization of
World Production, Marketing and Trade in the
Leather and Leather Products Industry

10. The Industrial Working Group considered the UNIDO working paper, UNIDO/PC.23. Discussion focused on two possible measures which had been proposed to improve among other things, the conditions of the global supply of raw materials, i.e. the "International Council of Tanners' (ICT) Doctrine on Rules for Fair Trading and Access to Markets" and the International Hides and Skins Development Scheme, proposed by the UNIDO Second Consultation on the Leather and Leather Products Industry. The following conclusions of the Industrial Working Group were adopted by the Panel, after detailed discussion of the draft recommendations:

(a) With respect to the ICT Doctrine, the possible positive and negative effects of the Doctrine on production and trade in leather and leather products were considered. It was concluded that the position of developed and developing countries was so varied with respect to raw material availability and levels of development in the leather and leather products industry, that consideration needs to be given to several parameters governing the development of the industry before appropriate ground rules could be adopted by the Panel. These parameters would include:

- (i) Production and trade in raw hides and skins;
- (ii) Prevailing conditions in the trade of leather and leather products;
- (iii) The effects of meat production and trade on the availability of hides and skins;
- (iv) The effects of a liberalized trade régime on the different groups of developed and developing countries;

(b) It was recommended that UNIDO, in collaboration with the international organizations concerned, carry out additional studies which would allow the preparation of alternative proposals to the ICT Doctrine; these should be compatible with principles established in the United Nations. The proposals should be submitted to subsequent sessions of the Working Group of the Leather and Leather Products Industry Panel for their consideration;

(c) In discussing the problems of financing the International Hides and Skins Development Scheme, it was concluded that:

- (i) There is a need for the involvement of the international business community interested in the scheme in its implementation through, inter alia, the contribution of expertise, initial limited funding and other relevant support required to launch the scheme;

- (ii) There is a need for joint action by the United Nations agencies concerned and the international business community interested in the scheme, to assess the financial resources required to implement the scheme under a given programme of action, and to seek sources of financing.

11. The UNIDO secretariat should undertake the necessary steps to ensure proper co-ordination of the above, it was noted that the implementation of the scheme is within the sphere of responsibility of the Food and Agriculture Organization of the United Nations (FAO).

B. Progress under the International Hides and Skins Development Scheme

12. The Panel discussed at length the financing possibilities for the International Hides and Skins Development Scheme. It also noted with interest that attempts were currently being made to find ways of including hides and skins in the Integrated Programme for Commodities (IPC) of UNCTAD and to make this commodity group eligible for financing from the Second Account of the Common Fund, once it was operative. In this context, it welcomed the request made by the Committee on Commodity Problems (CCP) of FAO, to the Director General of that United Nations agency, to explore the implications of setting up an Intergovernmental Group on Hides and Skins which could become a designated Intergovernmental Commodity Body (ICB) for sponsoring projects to the Common Fund. The Panel expressed its hope that the UNIDO secretariat would bring to the attention of the Director General of FAO its desire for a speedy follow-up to the request of the CCP in view of, first, the serious quality and waste problems faced in the hides and skins sector and, secondly, of possible funding of projects from the Second Account for alleviating these problems.

C. Progress in the improvement of statistical intelligence for hides and skins and derived products

13. The Panel was informed of the results of the FAO Ad Hoc Working Party on Statistical Intelligence for Raw and Processed Hides and Skins, held at Rome in May 1981. It welcomed the endorsement of the report by the FAO Committee on Commodity Problems and the recommendations of the Working Party in September 1981, and associated itself with these recommendations. The Panel also took note of a synthesis of recent market trends and the short-term outlook for hides and skins which was prepared specifically for the fifth session, in

advance of its official publication date. The Panel expressed its appreciation of the pilot work carried out by the FAO Secretariat in the complex field of the collection of statistical data, and making them coherent and comparable. In particular, it appreciated the two world compendia, one containing a time series of production and trade of raw hides and skins, leather and footwear for over 120 countries, and the other containing conversion ratios for weight and surface yields of raw and tanned hides and skins for these countries. The Panel expressed the need for maintaining the momentum of this work and encouraged FAO to continue to improve and expand the data base made available so far.

14. In response to the Ad Hoc Working Party's suggested survey of global tanning capacity, the Panel felt that such a survey was unnecessary because of:

(a) The difficulty of evaluating tanning capacity in individual plants and countries, which may introduce serious statistical errors into such a survey;

(b) The dynamic nature of the industry, where frequent changes in operational plants were being witnessed;

(c) The questionable usefulness of global figures in national planning for the development of the tanning sector.

D. UNIDO draft checklist for contractual agreements in the footwear sector between enterprises from developed and developing countries

15. The Panel considered the draft checklist prepared by the UNIDO secretariat, and approved the approach adopted. In addition to minor textual changes in the introduction, the secretariat was asked to pay particular attention to including the following points in the various agreements considered:

(a) The time-frame for the implementation of projects and the applicability of performance guarantees;

(b) Specification of technical assistance during the start-up of production, to be provided by the seller of knowhow;

(c) Secrecy of proprietary knowhow;

(d) Cost sharing of project feasibility studies between the buyer and seller of plant, equipment or knowhow.

16. The Panel took note of the UNCTAD studies on the transfer of technology, and recommended that a bibliography of related literature should be appended to the checklist.

17. The International Labour Organisation (ILO) representative recalled paragraph 8, page 11 of the report of the Second Consultation, and said that the ILO would later submit substantive comments for inclusion in the checklist.

18. The Panel recommended that the UNIDO secretariat prepare the document for general distribution to Governments, industry, and the various institutions concerned, and that it develop similar checklists for the tanning and leather goods sectors, for consideration by the sixth session of the Panel.

E. Report on UNIDO technical assistance projects in the establishment of production and design units and in the provision of management training in developing countries

19. The UNIDO secretariat presented a summary paper on technical assistance, ID/WG.353/3, "UNIDO Technical Assistance Activities in the Field of Leather and Leather Products as of end September 1981". This report was prepared in order to inform Panel members of new and ongoing projects initiated by UNIDO, in response to the Second Consultation's recommendations for the setting up of production and design units and the provision of management training to developing countries. The members of the Panel congratulated the secretariat on the quality of the technical assistance that had been provided which, it was felt, was making a significant contribution to the development objectives of the countries concerned. The Panel concluded that the specific projects mentioned were in keeping with the recommendations of the Second Consultation and that good progress had been made with respect to the recommendations mentioned above.

20. Finally, it was noted that co-operation between the International Trade Centre (ITC), FAO and UNIDO in technical assistance projects in the leather and leather products industry was excellent. The ILO representative expressed the wish that co-operation between UNIDO and ILO in this sector should be further strengthened.

F. Other business

Utilization of pigskins

21. One participant drew the attention of the session to the potential of pigskins as a raw material source for the industry. It was pointed out that several enterprises in the United States of America were willing to supply the industries of developing countries with technical assistance and to enter into

long-term selling arrangements for pigskins. In view of the sensitive nature of the social implications of the utilization of pigskins as a raw material for certain cultural groups, it was concluded that collaboration in this area could best be pursued on a bilateral basis between the concerned enterprises and those developing countries which wished to develop the leather industry on the basis of pigskin supplies from the United States.

22. The Panel also took note of the study being carried out by the United Nations Conference on Trade and Development (UNCTAD) on Structural Adjustment, Protection and International Trade in the Leather and Leather Products Industry, which would be submitted to the tenth session of the Committee on Manufactures in October 1982.

Sixth session of the Panel

23. It was proposed that the sixth session of the Leather and Leather Products Industry Panel be convened in October or November 1982, and the Second Meeting of the Industrial Working Group should take place prior to the session. The UNIDO secretariat agreed to consider this suggestion. A provisional agenda for the sixth session of the Panel was then adopted (see annex III).

24. It was agreed that the sixth session of the Panel consider the health and safety of workers as an item for discussion, and the ILO secretariat was requested to present an appropriate report on the issue. The Panel suggested that environmental problems of the leather industry should also be included as an item for discussion by the sixth session. UNIDO informed the Panel that an earlier UNIDO study^{1/} was being updated in consultation with the United Nations Environmental Programme (UNEP), and that it would be presented to the sixth session.

^{1/} "Environmental considerations in the leather producing industry (UNIDO/ITD.337/Rev.1, volumes 1 and 2).

Annex I

LIST OF PARTICIPANTS

Ralph Adewoye, Assistant Director, Leather Research Institute of Nigeria,
P.M.B. 1052, Zaria, Nigeria

Omar Amine Benabdallah, Directeur de l'Artisanat au Maroc, 6 Tarik el Marsa,
Rabat, Morocco

Getinet W. Giorgis,* General Manager, National Leather and Shoe Corporation,
P.O. Box 2516, Addis Abeba, Ethiopia

Mohammed Feisal Ibrahim, Deputy Director, Industries Division, Ministry of
Trade and Industry, 7th Floor Block 10 - Jalan Duta, Kuala Lumpur, Malaysia

Zdzislaw Jach, Institute of Leather Industry, ul. Zgierska 73, Lodz 11,
Poland

Eugene L. Kilik, President, Tanners' Council of America, Inc.,
2501 M Street N.W., Washington, D.C. 20037, United States of America

Otto F. Klötzer, Blairs Cove House, Durrus, Co. Cork, Ireland

Frantisek Malata,* Manager, Foreign Relations Department, Ministry of
Industry, Na Porici 24, 111 80 Prague 1, Czechoslovakia

Ferdinand A. Mencik,* Président Directeur Général, BATA S.A.,
38, avenue de l'Opéra, 75002 Paris, France

Andrés Colomer Munmany,* President, International Council of Tanners,
Colomer Munmany S.A., Calle San Francisco, no. 1, Vic, Barcelona, Spain

Guy G. Reaks, Secretary, International Council of Tanners, Director,
British Leather Federation, 9 St. Thomas Street, London, S.E. 1,
United Kingdom of Great Britain and Northern Ireland

Wilson Sabio de Mello, Director Superintendent, Calzados Samello S.A.,
Rua General Osorio 845, 144400 Franca, Est. Sao Paulo, Brazil

Eduardo Taiana,* Cámara de la Industria Curtidora Argentina,
Belgrano 3978, 1210 Buenos Aires, Argentina

Valentin Molina Urrea, Economist, PROEXPO, Calle 28 No. 13 A - 15 Piso 38,
Apartado Aéreo 17966, Bogotá, Colombia

Kilin Zhang, Chief Engineer, Vice-Manager, Shanghai Leather Corporation,
33 Szechuan Road, Shanghai, China

United Nations Secretariat

United Nations Conference on Trade and Development (UNCTAD)

Myong Che Chon,* Economic Affairs Officer, Current Trade, Quantitative
Analysis Section, Manufactures Division

Specialized agencies and other organizations
in the United Nations system

International Labour Organisation (ILO)

Pierre Drouet,* Manufacturing Industries Branch

Food and Agriculture Organization of the United Nations (FAO)

S.K. Barot,* Agricultural Industries Officer, Agricultural Services
Division

W. Lamade,* Senior Commodity Specialist, Commodities and Trade Division
(ESC)

* * *

International Trade Centre UNCTAD/GATT (ITC-UNCTAD/GATT)

José-Luis Albaladejo,* Market Development Officer, Technical Division

*Member of the Industrial Working Group.

Annex II

AGENDA ADOPTED BY THE PANEL

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Statement by the UNIDO secretariat on the substantive discussions of the meeting.
5. Follow-up to the recommendations of the Second Consultation; substantive discussions on:
 - (i) Report of the Industrial Working Group on ground rules for the rationalization of world production, marketing and trade in leather, leather products and footwear;
 - (ii) Progress under the International Hides and Skins Development Scheme, introduced by the FAO secretariat;
 - (iii) Progress in the improvement of statistical intelligence for hides and skins and derived products: report by the FAO secretariat on the proceedings of the meeting of the FAO ad hoc working party on statistical intelligence for hides and skins, and other related FAO activities;
 - (iv) The UNIDO draft checklist for the footwear industry, introduced by the UNIDO secretariat;
 - (v) Report by the UNIDO secretariat on the establishment of production and design units and its technical assistance programmes in manpower training in the leather and leather products sector in developing countries.
6. Other business.
7. Approval of conclusions and recommendations under items 5 and 6 of the agenda.
8. Date and provisional agenda of the sixth session of the Panel.
9. Adoption of the report of the meeting.

Annex III

PROVISIONAL AGENDA OF THE SIXTH SESSION OF THE PANEL

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Follow-up to the recommendations of the Second Consultation:
 - (i) Report of the Industrial Working Group on ground rules for the rationalization of world production, marketing and trade in leather, leather products and footwear;
 - (ii) UNIDO draft checklist for the tanning industry and the leather goods sector;
 - (iii) Progress report on the implementation of recommendations adopted by the fifth session concerning the International Hides and Skins Development Scheme; developments on the improvement of statistical intelligence.
5. Health and safety problems in the leather and leather products industry.
6. Environmental problems of the leather industry.
7. Other business.

